

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6380

BILL NUMBER: SB 246

NOTE PREPARED: Dec 28, 2014

BILL AMENDED:

SUBJECT: Pipeline Construction.

FIRST AUTHOR: Sen. Leising

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill makes the following changes to the statute concerning voluntary pipeline construction guidelines for pipeline companies proposing to construct an interstate pipeline in Indiana:

- (1) Specifies that certain duties in administering the statute are the responsibility of the Indiana Utility Regulatory Commission (IURC) instead of the IURC's Pipeline Safety Division.
- (2) Requires pipeline companies to notify the IURC within a specified time before proposing to construct a pipeline in Indiana.
- (3) Requires the pipeline's notice to the IURC to include the proposed route of the pipeline and the designation of at least one project coordinator who will communicate with the IURC about the proposed project.
- (4) Sets forth the duties of a pipeline company's project coordinator.

The bill also amends applicable eminent domain statutes to provide that a pipeline company may not appropriate and condemn lands or easements in lands until the company complies with the statute concerning voluntary pipeline construction guidelines.

Effective Date: July 1, 2015.

Explanation of State Expenditures: *Summary* - This bill could result in more flexibility for the IURC in meeting certain statutory deadlines and requirements, as well as provide minimal cost savings and savings in administrative time by eliminating the requirement to send construction guidance letters to affected landowners by certified mail.

Additional Information - From 2012 to 2014, a total of 780 letters were sent under IC 8-1-22.6-10 to affected landowners at a cost of \$4,001.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill would impact local public utilities if they were not previously providing notification by certified mail to property owners concerning their intention to enter property for survey purposes. Current law requires notification to “affected landowners.” This bill would require notification to property owners and affected landowners.

Public utility is defined as a public utility, municipally owned utility, cooperatively owned utility, joint agency created under IC 8-1-2.2, municipal sanitation department operating under IC 36-9-23, sanitary district operating under IC 36-9-25, or an agency operating as a stormwater utility.

Explanation of Local Revenues:

State Agencies Affected: Indiana Utility Regulatory Commission.

Local Agencies Affected: Public utilities.

Information Sources: Andrew Mapes, Indiana Utility Regulatory Commission.

Fiscal Analyst: Jessica Harmon, 317-232-9854.